

MAR 18 1967

Approved For Release 2005/11/21 : CIA-RDP70B00338R000300070034-1

SOVIET UNION:

Report From the CIA

The Soviet capital of Moscow, a city of 6 million people, has a grand total of eight gas stations. Leningrad, with 3.6 million people, has just three. There are, in fact, fewer than 2,000 stations in the whole country vs. 211,000 in the U.S. Because auto facilities are so scarce, fully one-fifth of Russia's 1 million cars are usually out of service at any one time awaiting repairs.

This new statistical intelligence about the status of the auto in the Soviet Union came last week from an authoritative but normally secretive source: the U.S. Central Intelligence Agency. CIA reports surface rarely (the agency admits cautiously to having made six public in the last five years), but this one was released with its permission by the international trade subcommittee of the House Banking Committee. The subcommittee used the CIA findings in approving a proposal that the U.S. Import-Export Bank lend \$50 million to Italy's Fiat to help build an auto-assembly plant in Russia. If consummated, the loan would be a significant step in President Johnson's drive to

promote East-West trade, but predictions are it will run into heavy fire from other congressmen.

The CIA, which actually conducts a continuing study of the Russian economy, noted that the Fiat plant would bring "the U.S.S.R. one step nearer to the automotive age." That age, though, is evidently still far off. Even if a Russian has a car, the CIA reported, there are only 87,000 miles of paved roads for him to use—about equal to the mileage in the state of Michigan.

The \$800 million plant, to be located 500 miles east of Moscow, is supposed to be producing 100,000 cars a year by 1970 and help boost annual Soviet output to between 700,000 and 800,000. The CIA, however, doubted that this goal could be reached because of "the usual slippage in Soviet construction plans." A more reasonable goal, the agency said, would be 460,000 cars by 1970 and 1.1 million by 1975. Even so, the CIA noted, the Soviets would only have "an automobile stock roughly equal to that of the United States in 1917."